

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 167 – HB 601**

February 11, 2015

**SUMMARY OF BILL:** Exempts audiologists and speech pathologists from the occupational privilege tax, beginning January 1, 2016.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – \$930,000**

**Decrease State Expenditures – \$8,400**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 67-4-1703(a), audiologists and speech pathologists are subject to a \$400 privilege tax, due and payable on June 1 of each year.
- Pursuant to Tenn. Code Ann. § 67-4-1701, privilege tax collections are required to be deposited to the General Fund.
- The Department of Revenue reports there were 350 audiologists and 1,954 speech pathologists that filed occupational privilege tax returns in FY13-14, for a total of 2,304. These numbers are assumed to remain constant into perpetuity.
- Pursuant to Tenn. Code Ann. § 67-4-1709, any employer, including any governmental entity, is authorized to remit the occupational privilege tax on behalf of persons subject to the tax who are employed by such employer.
- Based on a query of the state employee database, it is estimated there are an additional 6 audiologists and 15 speech pathologists for which the State of Tennessee pays the occupational privilege tax, for a total of 21. These numbers are assumed to remain constant into perpetuity.
- It is estimated that, as a result of this bill, no audiologists or speech pathologists will file occupational privilege tax returns in FY15-16, with knowledge that the occupations will be exempt from the tax beginning with January 1, 2016.
- It is assumed that, under current law, no penalties or interest would be assessed in FY15-16 and subsequent years.
- The recurring decrease in state revenue is estimated to be \$930,000 [ $\$400 \times (2,304 + 21)$ ].
- The recurring decrease in state expenditures is estimated to be \$8,400 ( $\$400 \times 21$ ).
- There will be no staff reductions as a result of exempting audiologists and speech pathologists from the occupational privilege tax.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style with a large initial "J" and a long, sweeping underline.

Jeffrey L. Spalding, Executive Director

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